

## Message Text

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TAGS: EGEN, EINV, ECOSOC, UN

SUBJECT: ECOSOC WORKING GROUP ON CORRUPT PRACTICES

1. SUMMARY: FINAL MEETING OF ECOSOC WORKING GROUP ON  
CORRUPT PRACTICES WAS SUCCESSFUL FROM U.S. STANDPOINT.  
WORKING GROUP MADE IMPORTANT PROGRESS ON SUBSTANCE OF AN  
AGREEMENT ON ILLICIT PAYMENTS AND RECOMMENDED TO ECOSOC  
THAT IT RE-EXAMINE THE QUESTION OF CONVENING A CONFERENCE  
OF PLENIPOTENTIARIES TO CONCLUDE AN INTERNATIONAL AGREEMENT  
ON ILLICIT PAYMENTS WITH A VIEW TO SETTING AN EARLY DATE  
FOR SUCH A CONFERENCE. ECOSOC WILL CONSIDER THIS ISSUE IN  
ABOUT THREE WEEKS AND ITS DECISION WILL BE CRUCIAL.  
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2. AD HOC INTERGOVERNMENTAL WORKING GROUP ON THE PROBLEM  
OF CORRUPT PRACTICES HELD ITS FIFTH RESUMED SESSION IN  
NEW YORK JUNE 26-30. SIGNIFICANT SUBSTANTIVE PROGRESS WAS  
MADE AS WORKING GROUP REACHED COMPROMISE ON THE SCOPE OF  
THE OFFENSE (BRIBERY OF FOREIGN OFFICIALS) TO BE MADE  
CRIMINAL BY HOME COUNTRIES, INCLUDING A REQUIREMENT OF

"TERRITORIAL LINK" AS BASIS OF JURISDICTION. WORKING GROUP AGREED TO ACCEPT PROVISION ON RECORD-KEEPING OF FEES PAID TO AGENTS WHO DEAL WITH PUBLIC OFFICIALS IN INTERNATIONAL COMMERCIAL TRANSACTIONS. IN RETURN U.S. WITHDREW ITS ORIGINAL PROPOSALS FOR REPORTING AND PUBLIC DISCLOSURE. WORKING GROUP ALSO AGREED TO DELETE PROVISIONS RELATING TO TAX TREATMENT OF BRIBES WHICH WERE OPPOSED BY NEARLY ALL INDUSTRIAL COUNTRIES EXCEPT THE U.S.

3. MOST STRIKING POLITICAL DEVELOPMENT IN THIS SESSION WAS PARTICIPATION BY G-77 AS A GROUP ON SUBSTANTIVE ISSUES RELATING TO BRIBERY. JAMAICA, WHICH HAD NOT PREVIOUSLY PARTICIPATED IN THE WORKING GROUP, SPOKE ON BEHALF OF THE G-77. THE DEVELOPING COUNTRIES SHOWED CONSIDERABLE FLEXIBILITY AND CONTRIBUTED TO IMPORTANT COMPROMISES WHICH WERE ACHIEVED. CONTRARY TO EXPECTATIONS, THERE WAS NO DEBATE ON G-77 PROPOSALS TO PROHIBIT PAYMENT OF TAXES AND ROYALTIES TO "ILLEGAL MINORITY REGIMES IN SOUTHERN AFRICA" AND THERE WERE FEW REFERENCES TO THE UN CODE OF CONDUCT. ZAMBIA AND UGANDA DID MAKE STATEMENTS AT FINAL MEETING EMPHASIZING THE IMPORTANCE G-77 ATTACHES TO ITS PROPOSALS ON SOUTHERN AFRICA AND INDICATING THAT AFRICAN POSITION ON FUTURE WORK OF THE GROUP WOULD, TO A LARGE EXTENT, BE DETERMINED BY "RECIPROCAL ATTENTION AND POSITIVE ATTITUDE" TOWARDS THESE PROPOSALS.

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4. INDUSTRIAL COUNTRIES ALSO PARTICIPATED CONSTRUCTIVELY IN THE WORK, AND ALL BUT THE U.K. AND FRG NOW APPEAR READY TO ACCEPT AN AGREEMENT BASED ON CRIMINALIZATION BY HOME AND HOST COUNTRIES, EXTRADITION, JUDICIAL ASSISTANCE, AND RECORD-KEEPING OF AGENTS' FEES.

5. THE WORKING GROUP AGREED ON THE FOLLOWING RECOMMENDATION TO ECOSOC: "THE AD HOC INTERGOVERNMENTAL WORKING GROUP ON THE PROBLEM OF CORRUPT PRACTICES, RECOGNIZING THE NEED FOR THE EARLY ADOPTION OF AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS IN CONNECTION WITH INTERNATIONAL COMMERCIAL TRANSACTIONS, RECOMMENDS TO THE ECONOMIC AND SOCIAL COUNCIL THAT IT RE-EXAMINE THE QUESTION OF CONVENING A CONFERENCE OF PLENIPOTENTIARIES TO CONCLUDE AN INTERNATIONAL AGREEMENT WITH A VIEW TO SETTING AN EARLY DATE FOR THE CONFERENCE AND ESTABLISHING A COMMITTEE TO MAKE PREPARATIONS-FOR THE CONFERENCE AND SUCH FURTHER

ACTIONS AS MAY BE DEEMED NECESSARY IN THE DRAFTING OF AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS." THE ISSUE THAT REMAINS TO BE RESOLVED AT ECOSOC THIS JULY IS

WHETHER THE COUNCIL WILL AGREE TO SET A DATE FOR THE  
CONFERENCE AND TO ESTABLISH A PREPARATORY COMMITTEE. THE  
U.S. IS PROPOSING THAT THE CONFERENCE BE SCHEDULED FOR  
LATE 1979. VANCE

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